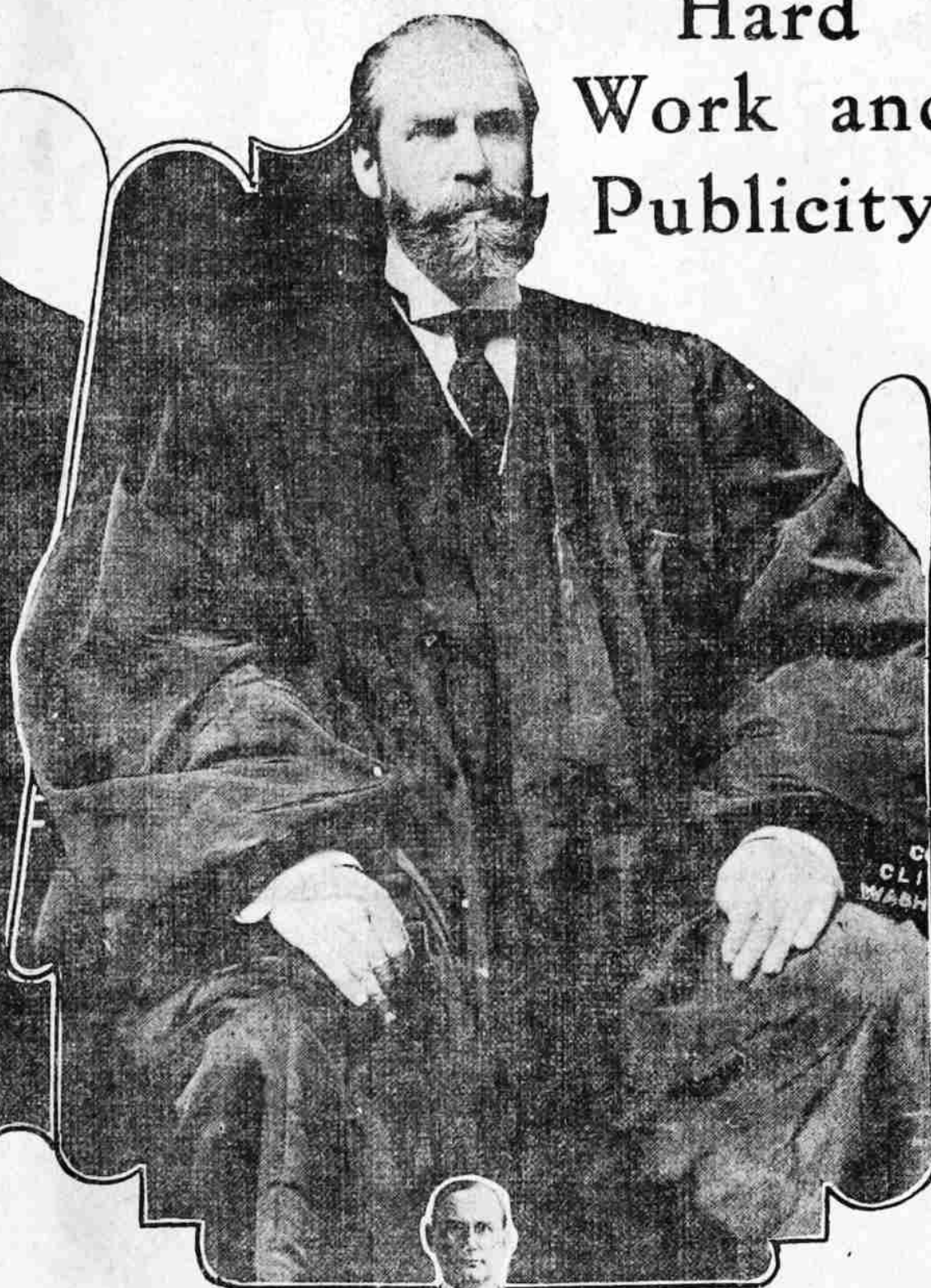


Turning the SPOTLIGHT on Graft

How Great Reformers
at Different
Times in the History
of America
Have Exploded Corruption by Use of
Hard
Work and
Publicity



Every now and then, in the history of the United States, certain men have unearthed great graft scandals. Sometimes the grafters are found in the cities of the country where the entire municipal system is found rooted in corruption. Again it is heard from in some remote area, as the vote buying fraud in a rural community of Ohio a few years ago. It crops out in our State legislative halls and even the halls of Congress are tainted.

The men who turn up the grafters are not always men of highest motives. It may be sometimes that they make the great exposures for the sole purpose of winning popular acclaim. Yet their service is great and their names go down in history and will be read in future generations as the names of patriots and public benefactors. Men do not weigh motives. They count deeds, preferring to judge men by what they have accomplished rather than by what their enemies choose to call "their game for winning popular approval."

The people have learned to know that the guilty parties always try to shift the question by questioning the motives of those who have discovered their guilt. They honor the men who unearth the guilty and for that reason such names as Samuel J. Tilden, Charles E. Hughes and Joseph W. Folk will always stand out prominently in history. To become a great graft investigator one must have ability for unusual application. In the early days of American history graft was purely personal. Men stole from the public treasury or influenced legislation for their personal gain.

With the changing business and industrial conditions, graft has become corporate more than personal, the individual expecting to reap his rewards through the corporation of which he is a part. So hidden are the paths along which the grafters work that he is unobserved by the ordinary man. It is only the investigator, the student of affairs, who

CENTER—Associate Justice Charles E. Hughes.
Upper left and below—Joseph W. Folk.
Upper right—Samuel J. Tilden.

can break through the maze and discover real conditions.

A biographical student of the great graft hunters readily discovers they are deep students. Take Tilden for example. At the age of 18 he had broken into the front rank as a student of political conditions. After he was graduated from college he became a lawyer.

Then came his fight with the political machine in the early '70s. By a series of political maneuvers William M. Tweed had made himself a mighty power in New York. He ruled through Tammany. So thoroughly did the ring have New York in its grasp that from April 5, 1870, to the close of that year, they took more than \$12,000,000 from the treasury by fraudulent bills. It was in the days of purely personal stealing.

Tilden took up the investigation of the wholesale robbery of the treasury of the city of New York and the State as well. So thorough was his ring investigation he was able to break into the records of the ring and send the criminals to jail. He turned suspicion into proof and after the prosecutions were over he went before the Legislature and aided in the passage of bills making such corrupt control impossible. The exposure of the Tweed Ring was Tilden's greatest stroke.

GAS COMPANY INVESTIGATION WINS HUGHES' FIRST FAME.

From the time of the Tilden inquiry to the time of the great Hughes investigation several decades had passed. The day of great corporations owning valuable franchises had arrived. Hughes, like Tilden,

was a great investigator. Before the investigation of the Consolidated Gas Company in New York, in 1905, Hughes had no reputation whatever, outside of his own political circles, and in Columbia and Cornell law schools, where he had lectured to law classes. His appointment to the Stevens Gas Commission as counsel, which gave him his opportunity to expose the high rates charged for gas in New York through the possession of a valuable franchise amounting to a monopoly, came because he had made himself a name as a thorough lawyer.

The commission did not choose Hughes willingly. The members wanted an old lawyer with wide experience and with a reputation. But they found all the big lawyers had been retained by the corporation. Hughes was recommended. After his appointment it was learned he was one of the organizers of Rockefeller's Bible Class and the cry went up that he would be against the people and for the moneyed interests.

But Hughes proved his mettle. His investigations showed the gas company was overcharging the citizens of New York \$300,000 a year. His thorough investigations convinced everybody. The investigation, however, was only a local affair, but it brought Hughes into prominence as a lawyer and when the Insurance Investigation Committee of New York wanted counsel Hughes was chosen for the position.

His investigation of the Insurance matters brought out the fact that one of the gigantic insurance companies had given \$150,000 to the Republican campaign fund in ten years. George E. Perkins, an official of the company, who gave the testimony admitted the money was taken from the corporation treasury without consultation with the stockholders.

A peculiarity of both Hughes and Tilden is that both were placed in a position to find irregularities with-



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In their own party. Tilden, a Democrat, investigated matters in the Democracy. Hughes, a Republican, unearthed Republican scandals. Both men became Governor of New York after exposing their own party. They had proved their disinterestedness and showed to the people they could be trusted. Hughes probably won for himself more nation-wide fame by his insistence on laws restricting race track gambling than by anything else. He was opposed in his own party when he insisted on such legislation, but he had the support of the people.

A third investigator of national fame, who also gained the Govern-

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nor's chair, sprang first into public print in 1900.

In that year St. Louis was in the thrall of a bitter industrial conflict. Street car employees were on strike against the owners of the traction company, the infant monopoly out of which has grown the United Railways Company. Murder, rapine, destruction of property, assaults, business stagnation, in fact, almost a complete paralysis of the entire city resulted. The wisest heads were unable to frame a solution. Dynamite outrages stimulated the police to worse retaliation and a posse comitatus firing squad fired into marching strikers, killing many. In this crisis a young, obscure lawyer stepped into the breach.

"Let's go to the bottom of this, analyze it and apply the cure," he said.

Then he called a conference and in two days settled the strike.

That man was Joseph W. Folk. The feat attracted attention. Some of his legal accomplishments indicated great capacity. A coterie of party bosses unable to agree upon a candidate for Circuit Attorney, when election day approached, listened to the suggestion of one man and Folk was brought out. He proceeded to clean the Augean stables of municipal corruption, after his light house beam of reason of an aptitude for getting to the bottom of corruption, whether in or out of his own party. He is the same Joseph W. Folk who despite desperate efforts of his own party leaders to deter him, is now duplicating history by dragging forth to public light those misdeeds which almost wrecked the New York, New Haven & Hartford Railroad.

The admissions he wrung from Charles S. Mellen, former president, against the advice of high public officials and over the protests of erudite lawyers is but in keeping with his work in the West.

Pitted against corruption, fighting the people's battle, he met and

successfully wended his way against such mighty legal gladiators as Frederick Lehmann, now representative of the United States in the peace conference at the Mexican situation; Judge Henry S. Priest, who was compelled in a burst of forensic eloquence to drop the unhappy expression: "Bribery is a conventional offense," former United States Senator William Warner; Morton Jourdan, former Judge Chester H. Krum, Thomas J. Rowe, Willis Clark and others, all representative of the very cream of the legal profession. And against this mighty host, this one man accomplished wonders.

One by one they went down in defeat before him.

Because Folk is an intuitionist with a whole lot of that quality called application and an iron resolution where he sees duty pointing the way, he has been able to rise above every obstacle and to be just what he should be when exigency required.

His latest services to the public are fresh with us. Those past contributions to the public welfare began with his prosecution of the election crooks that belonged to his own party, which his own party leaders at that time a heterogeneous set, described as "party treachery." They cried, "They elected you," and Folk replied: "All the more reason I should prosecute." And he did. Then he turned to straw bondsmen and eliminated them, digging his way, as in the election frauds, through mazes of corruption and against immense odds.

It was in November, 1901, one year after he had gone into office, that the real work of Folk began. In that month gossip bruited about the fact that there was held in the safety deposit vaults of two of the biggest trust concerns in the city, the sum of \$135,000. This sum had been placed there by Phil Stock, legislative agent for the St. Louis & Suburban Railway, who acted for Charles H. Turner, president of the company, and at the time, it was stated, for some of the directors. Folk heard of this and set his brain and sinews to work. Turner was called in. So was Stock. They were given a grilling, worse than any third degree ever fashioned by a police chief and they begged for time. They sought the advice of their attorney, Gov. Charles P. Johnson, who advised them to make a clean breast of it. They returned to Folk and told how they had sought legislation favorable to their road and how combines in this House of Delegates and the City Council had blocked them.

SIXTEEN INDICTMENTS.

Not content with the first exposure, Folk pursuing with officers of the law, those who escaped; seeking treaties with France to bring back Ellis Wainwright, who had fled there, preparing for the trials of those brought to justice; found time to delve deeper into the corruption than he had uncovered. With a diligence remarkable for its intensity he unearthed the city lighting boodle whereby it was alleged Edward Butler, political boss, had bribed the House of Delegates to pass the bill lighting the city with gas in place of electricity. Charles Kelly, member of the House, was named as the agent through whom Butler was alleged to have paid \$17,500 for the franchise. Kelly fled to Europe. Folk indicted the combine of the House and also Butler. He sought men higher up, but the Grand Jury did not indict. He dug into the vitals of the crowd. Butler was again indicted on a charge of trying to bribe two members of the Board of Health to vote him the garbage contract.

While these were sensational, greater was the outburst when Folk unearthed the Central Traction scandal, involving Robert M. Snyder, president of the City National Bank of Kansas City, a millionaire several times over.

Folk developed that over a quarter of a million dollars was used in the State Legislature to enable Snyder to merge all the street railways of St. Louis. Then Snyder had to get a bill through the Municipal Assembly here to the same purpose and he used a quarter of a million to do that. One man, Fred G. Ut-

hoff, after accepting \$25,000 to vote

against the Snyder bill, entered into an agreement with Snyder to sell his vote for \$100,000. Snyder accepted the vote, but Utthoff never received the money. Another Councilman sold his vote, his son getting the money. The corruption here and in Jefferson City was fully exposed by Folk. He forced the Lieutenant Governor of the State to resign his office.

The jury assessed Snyder five years imprisonment. This sentence the Supreme Court reversed on error of trial. The question of guilt did not enter. Before Snyder could be brought to trial again he met with an automobile accident which caused his death.

In all these trials Folk contended against the best lawyers in the State. He convicted Butler in Columbia of the attempted garbage bribery. The sentence of three years was swept aside by the reversal of the Supreme Court. In Fulton Butler was acquitted of the second charge. Of the lesser lights seven went to the penitentiary. The rest turned State's evidence, died or fled.

Thrift of Europeans.

America has much to learn from foreign countries in regard to thrift, and might go far to solve the present cost of living problem by studying and adopting many of the systems which are making living cheaper abroad, says S. W. Straus, a Chicago banker and president of the American Society of Thrift, who is in London after a five months' tour of Italy, France, Germany, Switzerland, England and Scotland.

During this period Mr. Straus investigated co-operative societies, school gardening and educational methods, to determine whether the methods used in Great Britain and on the Continent were feasible for the United States. He said:

"We are going to hold a National Thrift Congress at the Panama Exposition in 1915, and since I came here to study the thrift movements on this side of the water we have determined to make the congress international."

"I have extended invitations to the principal European countries and have met with gratifying success. Practically all have accepted their acceptance and will send delegates."

"The most notable example of thrift is Great Britain's splendid system of co-operative associations. They have 2,500,000 members, and the amount of annual business done is just a little less than the business of the United States Steel Corporation. This gives some indication of the scope of this great thrift method."

"Great Britain leads the world in co-operative schemes. The Germans have not brought the co-operative movement to a science as England has, but I was struck by the fact that the German government is much more thrifty than the people themselves, who have become very extravagant in the last decade."

"The French can give us many lessons in thrift. The Frenchman does not waste as much as a blade of grass and can make much out of nothing. Switzerland, too, has the right idea as regards thrift. They get all the money they can away from the strangers within their gates, and then proceed to keep it at home. They are strong for patronizing home industries."

"The reclaiming of land in Southern Italy, which is fostered by co-operative societies, has done much to promote thrift in Italy."

"As a result of my investigation, I am convinced that the work of co-operative societies of Great Britain and the Continent is killing all the arguments of the Socialists. When co-operative associations become sufficiently numerous, they will bring producers and consumers so close together as to eliminate all the danger and possibility of a Socialist regime."

"Thrift methods, as successfully tried abroad, especially by co-operative methods, might well be adopted in America. For nowhere do commodities pass through so many middlemen's hands as in the United States."